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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-094]

Refillable Stainless Steel Kegs from the People's Republic of China: Countervailing Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing a countervailing duty order on refillable stainless steel kegs from the People's Republic of China (China).

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Theodore Pearson or Nicholas Czajkowski, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2631 or (202) 482-1395, respectively.

SUPPLEMENTARY INFORMATION:

Background

In accordance with sections 705(a), 735(d), and 777(i)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.210(c), on October 24, 2019, Commerce published its affirmative final determination in the countervailing duty investigation of refillable stainless steel kegs from China,¹ including its affirmative determination of critical circumstances. On

¹ See *Refillable Stainless Steel Kegs from China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, in Part*, 84 FR 57005 (October 24, 2019).

December 9, 2019, the ITC notified Commerce of its final determination pursuant to section 705(b)(1)(B) of the Act that an industry in the United States is materially retarded by reason of subsidized imports of refillable stainless steel kegs from China, and its determination that critical circumstances do not exist with respect to imports of subject merchandise from China.²

Scope of the Order

The merchandise covered by this order are refillable stainless steel kegs from China. For a complete description of the scope of the order, *see* the appendix to this notice.

Countervailing Duty Order

As stated above, on December 9, 2019, in accordance with sections 705(b)(1)(B) and 735(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that the establishment of an industry in the United States is materially retarded by reason of subsidized imports of refillable stainless steel kegs from China, and that critical circumstances do not exist with respect to imports of subject merchandise from China that are subject to Commerce's affirmative critical circumstances findings. Therefore, in accordance with section 705(c)(2) of the Act, Commerce is issuing this countervailing duty order.

Because the ITC's final determination is that the establishment of an industry in the United States is materially retarded by subsidized imports of refillable stainless steel kegs from China, and is not accompanied by a finding that injury would have resulted but for the imposition of suspension of liquidation of entries since Commerce's *Preliminary Determination*,³ section 706(b)(2) of the Act is applicable. Accordingly, Commerce will

² See Notification Letter from the ITC dated December 9, 2019 (ITC Letter).

³ See *Refillable Stainless Steel Kegs from China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 84 FR 13634 (April 5, 2019) (*Preliminary Determination*).

instruct U.S. Customs and Border Protection (CBP) to terminate the suspension of liquidation, and to liquidate without regard to countervailing duties, unliquidated entries of refillable stainless steel kegs from China entered, or withdrawn from warehouse, for consumption prior to the publication of the ITC's final determination, and to release any bond or other security posted and to refund any cash deposit of estimated countervailing duties made prior to the publication of the ITC's final determination.

Suspension of Liquidation

In accordance with section 706 of the Act, Commerce will instruct CBP to reinstate the suspension of liquidation of all appropriate entries of refillable stainless steel kegs from China, as described in the appendix to this notice, effective on the date of publication in the *Federal Register* of the of the ITC's final determination, and to collect cash deposits of estimated countervailing duties for each entry of subject merchandise equal to the rates noted below. The all-others rate applies to all producers or exporters not specifically listed.

Critical Circumstances

With regard to the ITC's negative critical circumstances determination on imports of refillable stainless steel kegs from China, we will instruct CBP to lift suspension and to refund any cash deposits made to secure the payment of estimated countervailing duties with respect to entries of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after January 5, 2019 (*i.e.*, 90 days prior to the date of the publication of the *Preliminary Determination*), but before April 5, 2019 (*i.e.*, the date of publication of the *Preliminary Determination*).

Estimated Subsidy Rates

The estimated subsidy rates are as follows:

Producer/Exporter	Net subsidy rate (percent)
Equipmentines (Dalian) E- Commerce Co., Ltd	145.23
Jinan HaoLu Machinery Equipment Co., Ltd	145.23
NDL Keg Qingdao Inc	145.23
Ningbo Direct Import & Export Co., Ltd	145.23
Ningbo Hefeng Container Manufacture Co., Ltd	145.23
Ningbo Hefeng Kitchen Utensils Manufacture Co., Ltd	145.23
Ningbo HGM Food Machinery Co., Ltd	145.23
Ningbo Jiangbei Bei Fu Industry and Trade Co., Ltd	145.23
Ningbo Master International Trade Co., Ltd	16.21
Ningbo Sanfino Import & Export Co., Ltd	145.23
Ningbo Shimaotong International Co., Ltd	145.23
Ningbo Sunburst International Trading Co., Ltd	145.23
Orient Equipment (Taizhou) Co., Ltd	145.23
Penglai Jinfu Stainless Steel Products	145.23
Qingdao Henka Precision Technology Co., Ltd	145.23
Shandong Tiantai Beer Equipment	145.23
Sino Dragon Trading International	145.23

Wenzhou Deli Machinery Equipment Co	145.23
Wuxi Taihu Lamps and Lanterns Co., Ltd	145.23
Yantai Trano New Material Co., Ltd	145.23
All Others	16.21

Provisional Measures

Section 703(d) of the Act states that the suspension of liquidation pursuant to an affirmative preliminary determination may not remain in effect for more than four months. Commerce published the *Preliminary Determination* on April 5, 2019. Therefore, the four-month period beginning on the date of the publication of the *Preliminary Determination* ended on August 1, 2019. In accordance with section 703(d) of the Act, Commerce instructed CBP to terminate the suspension of liquidation and to liquidate, without regard to countervailing duties, unliquidated entries of refillable stainless steel kegs from China entered, or withdrawn from warehouse, for consumption after August 1, 2019, the date the provisional measures expired. Suspension of liquidation will resume on the date of publication in the *Federal Register* of the ITC's determination that the establishment of an industry was materially retarded by reason of subsidized imports.

Notification to Interested Parties

This notice constitutes the countervailing duty order with respect to refillable stainless steel kegs from China pursuant to section 706(a) of the Act. Interested parties can find a list of countervailing duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is issued and published in accordance with section 706(a) of the Act and 19 CFR 351.211(b).

Dated: December 11, 2019.

Jeffrey I. Kessler,
Assistant Secretary
for Enforcement and Compliance.

Appendix

Scope of the Order

The merchandise covered by the order are kegs, vessels, or containers with bodies that are approximately cylindrical in shape, made from stainless steel (*i.e.*, steel containing at least 10.5 percent chromium by weight and less than 1.2 percent carbon by weight, with or without other elements), and that are compatible with a “D Sankey” extractor (refillable stainless steel kegs) with a nominal liquid volume capacity of 10 liters or more, regardless of the type of finish, gauge, thickness, or grade of stainless steel, and whether or not covered by or encased in other materials. Refillable stainless steel kegs may be imported assembled or unassembled, with or without all components (including spears, couplers or taps, necks, collars, and valves), and be filled or unfilled.

“Unassembled” or “unfinished” refillable stainless steel kegs include drawn stainless steel cylinders that have been welded to form the body of the keg and attached to an upper (top) chime and/or lower (bottom) chime. Unassembled refillable stainless steel kegs may or may not be welded to a neck, may or may not have a valve assembly attached, and may be otherwise complete except for testing, certification, and/or marking.

Subject merchandise also includes refillable stainless steel kegs that have been further processed in a third country, including but not limited to, attachment of necks, collars, spears or valves, heat treatment, pickling, passivation, painting, testing, certification or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the in-scope refillable stainless steel keg.

Specifically excluded are the following:

- (1) vessels or containers that are not approximately cylindrical in nature (*e.g.*, box, “hopper” or “cone” shaped vessels);
- (2) stainless steel kegs, vessels, or containers that have either a “ball lock” valve system or a “pin lock” valve system (commonly known as “Cornelius,” “corny” or “ball lock” kegs);
- (3) necks, spears, couplers or taps, collars, and valves that are not imported with the subject merchandise; and
- (4) stainless steel kegs that are filled with beer, wine, or other liquid and that are designated by the Commissioner of Customs as Instruments of International Traffic within the meaning of section 332(a) of the *Tariff Act of 1930*, as amended.

The merchandise covered by the order are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7310.10.0010, 7310.10.0050, 7310.29.0025, and 7310.29.0050.

These HTSUS subheadings are provided for convenience and customs purposes; the written description of the scope of the order is dispositive.

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